

# State workforce leaders eagerly accept governor's challenge

## California Performance Review team is working on solutions for better state government

By Chon Gutierrez, CPR Executive Director

Since late February, a contingent of some of the state's best and brightest have been working together in downtown Sacramento on a simple, yet enormous, task of finding ways to make state government work better and cost less.

They are members of the California Performance Review (CPR), a team created by Gov. Arnold Schwarzenegger to restructure, reorganize and reform state government so that it better serves the people of this great state.

As Gov. Schwarzenegger said in announcing Executive Order S-5-04, "This unprecedented action will mean a total review of government: its performance, its practices, and its costs. Together with my dedicated team of ex-

perts, we will make California the first true 21<sup>st</sup> century government in America, a government that is as innovative and dynamic as the state itself."

The CPR consists of about 250 employees on loan from approximately 30 California departments, agencies, boards and commissions. They are experts in a broad spectrum of governmental pro-

grams including education, health and human services, transportation, resource conservation, environmental protection, public safety and corrections. Between them, they have literally thousands of years of experience in both the public and private sectors, and they know first hand what is working, what needs to be tossed out and what needs to be added.

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***"I have been a cog in this broken machine for seventeen years now and this is the first time anyone has ever asked me how I could do my job better."***

**— One longtime state employee**

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With all this experience, there is no place for a bad program to hide or a good idea to be ignored.

Members of CPR come from all levels of state government: CEAs, office chiefs, supervisors, department directors. Some have held undersecretary positions, testified before the Legislature or participated in budget negotiations, and all are

focused on customer service.

CPR can count among its ranks one former governor, George Deukmejian, who is co-leader of a team that is reviewing the state's prison operations.

Even though the employees who have volunteered for the CPR

team come from diverse backgrounds and fields of expertise, all seem to have one thing in common: a strong desire to see California government better serve its citizens.

As one longtime government employee said after joining the CPR team, "I have been a cog in this broken machine for seventeen years now and this is the



*Chon Gutierrez is a 32-year veteran of state service and has most recently served as interim Director of the Department of Motor Vehicles.*

first time anyone has ever asked me how I could do my job better. I can't tell you how eager I am to contribute."

The enthusiasm is high as these team members are performing Gov. Schwarzenegger's top-to-bottom review of state government.

CPR is divided into 14 teams:

- Acquisition and Procurement
- California Business Climate
- Customer Service
- Education, Training and Volunteerism

• General Government (including agency reorganization and consolidation)

• Intergovernmental Relations

• Health and Human Services

• Information Technology

• Infra-structure (including transportation, housing, energy and water)

• Job Retention and Business Development

• Performance-Based Budgeting and Revenue Maximization

• Personnel Management

• Public Safety

• Resources and Environmental Protection

The teams have been researching what other states, and even other countries, are doing that might have practical applications for improving the way California government does business. They

## California state government: Where are we?

- **328 Boards and Commissions with 2,500 appointees**
- **79 Departments**
- **12 Agencies**
- **315,926 State Employees**
  - **Civil Service: 199,326**
  - **Constitutional Exempts: 252**
  - **Statutory Exempts: 173**
  - **Departmental Exempts: 3,319**
  - **Higher Education: 112,856**

smarter by leveraging technology to bring government operations into the 21<sup>st</sup> century.

Since CPR has been up and running, there have been thousands of suggestions pouring in via the Web site ([www.cpr.ca.gov](http://www.cpr.ca.gov)) and through phone calls and letters from concerned Californians. Many more ideas are expected to be presented at a series of state-wide public hearings being held by the California Performance Review Commission. The commission will receive testimony

from the general public and from leaders in business, education, community

service and the public sector. (The names of the team members and the commission's hearing schedule will be announced in mid-April.)

It's too early to identify specific recommendations that will be in the CPR's final report to Governor Schwarzenegger on June 30. But

it's safe to say there will be tremendous energy and governmental will behind these ideas. After all, the governor was elected on a platform of change. He created CPR to help craft the vision of change. And left to their own devices, the CPR teams are sure to find ways to make government work better and cost less.

More information on the CPR can be found at [www.cpr.ca.gov](http://www.cpr.ca.gov).

## Gov. Schwarzenegger:

*"We have multiple departments with overlapping responsibilities, I say consolidate them.*

*"We have boards and commissions that serve no pressing public need. I say abolish them.*

*"We have a state purchasing program that is archaic and expensive. I say modernize it."*

*"I plan a total review of government, its performance, its practices, its costs."*

## Will it work?

**The Texas Performance Reviews produced more than \$12 billion in savings**

### **Major innovations:**

- **Health and human services streamlining**
- **Medicaid and tax fraud detection programs**
- **Prison reforms**
- **Public school savings of about \$1 billion**
- **e-Government innovations**



EXECUTIVE ORDER S-5-04  
by the  
Governor of the State of California

WHEREAS, the people of California have spoken and made clear their desire for a government that is a better provider of services, more responsive and more accountable; and

WHEREAS, the fiscal crisis confronting California demands fundamental change in the way the state does business, eliminating old, failed approaches and creating new and better ways to serve the people of the state; and

WHEREAS, California state government must become the first true 21st Century government in America, a government that is as innovative, efficient and dynamic as the state itself; and

WHEREAS, the State of California is filled with skilled and dedicated government employees, innovative companies, educational institutions and non-profit institutions with substantial experience and knowledge necessary to improve the operations and accountability of state government; and

WHEREAS, California needs a mechanism to rigorously examine how the government operates and the system it employs to accomplish its mission, focusing on the prioritization of program needs, return on program investment, effective program management, and effective, accountable fiscal management of the state's resources; and

WHEREAS, California's government structure has become too cumbersome to meet current service demands. California has agencies, boards and commissions with overlapping and related responsibilities which can be consolidated to make government more efficient, effective and transparent; and

WHEREAS, California has outmoded and duplicative information technology systems that must be replaced with a common set of statewide systems to bring government operations into the 21st century.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this Executive Order to become effective immediately:

1. There shall be created the California Performance Review to conduct a focused examination of California state government. Based on this examination and assessment, the Performance Review will formulate and recommend practical changes to government agencies, programs and operations to reduce total costs of government operations, increase productivity, improve services and make government more responsive and accountable to the public.

2. This year, the Performance Review will examine the following areas: (1) Statewide Information Technology; (2) Performance-Based Budgeting and Revenue Maximization; (3) Personnel Management; (4) Acquisition and Procurement; (5) Customer Service; (6) Health and Human Services; (7) Education, Training and Volunteerism; (8) Public Safety; (9) Infrastructure (including transportation, housing, energy and water); (10) Resources and Environmental Protection; (11) California Business Climate; (12) General Government (including agency reorganization and consolidation); (13) Intergovernmental Relations; and (14) Job Retention and Business Development.

3. The Department of General Services will provide office space and other administrative support services as are reasonably necessary for the Performance Review to fulfill its mission. The Performance Review shall be deemed to be a "proceeding" pursuant to Government Code section 14600 and shall be conducted as an adjunct activity of the Department of General Services. The Department of Finance shall provide assistance in making necessary resources available to the Performance Review and the Department of General Services.

4. Review staff members will be selected from within agencies and departments in state government for temporary service in the California Performance Review. They shall serve the Performance Review on loan from contributing agencies/departments which shall provide continued payment of employees' salaries while they are participating in the project.

5. The Performance Review will make its final recommendations to the Governor not later than June 30, 2004.

6. There shall be created a California Performance Review Commission that shall exist for the duration of the Performance Review to provide independent guidance and input. The Commission will be led by co-chairs and shall consist of members selected by the Governor, all of whom shall serve voluntarily and without compensation. The Commission shall conduct such public meetings and shall take such public testimony as necessary to assist the Performance Review. The Department of General Services shall provide staff support and shall bear incidental costs associated with the Commission's public meetings.

7. All state entities under the Governor's executive authority shall cooperate fully with the Performance Review and provide assistance and personnel as needed to implement this Executive Order. The provisions of this Executive Order shall not apply to the legislative and judicial branches of government, nor shall it apply to the constitutional officers of this state. However, I invite these branches of government and the constitutional officers to lend their assistance and support.

IT IS FURTHER ORDERED that as soon as hereafter possible, this order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this order.

IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the tenth day of February 2004.

/s/ Arnold Schwarzenegger  
Governor of California